

OFFICE OF FINANCE PROGRAMS
MARYLAND EMPLOYER SECURITY CLEARANCE
COSTS TAX CREDIT PROGRAM

ANNUAL STATUS REPORT
TAX YEAR 2019
TAX-GENERAL ARTICLE

SECTION 10-732(f)

Submitted by:

Maryland Department of Commerce

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BASIC FACTS ABOUT MARYLAND EMPLOYER SECURITY CLEARANCE COSTS TAX YEAR 2019

Maryland Employer Security Clearance Costs Tax Credit, TYE 2019 Summary

The Maryland Employer Security Clearance Costs Tax Credit program was enacted during the 2012 session of the Maryland General Assembly. The statute requires that each business wishing to receive tax credits apply to the Department of Commerce (Commerce) for certification on or before September 15th of the calendar year following the tax year for which the federal security clearance costs were incurred. For September 15, 2020, businesses applied to Commerce for expenses incurred in the Tax Year Ending (TYE) 2019. After receiving certification, the business may file an amended tax return for the year it is certified OR it may claim the credit on an income tax return filed for ANY of the following tax years. The business must attach a copy of the Department's certification to its tax return. If the credit exceeds the business's tax liability, the unused portion of the credit may be carried forward until the excess amount is fully used.

The Maryland Employer Security Clearance Costs Tax Credit Program includes three tax credits.

Security Clearance Administrative Expense Tax Credit – *This credit is 100% of eligible administrative expenses related to obtaining and maintaining federal security clearance for employees up to \$200,000. However, if the total amount of credits claimed by all businesses exceeds \$2 million, then the tax credit will be prorated.*

Sensitive Compartmented Information Facility Costs Tax Credit – *This tax credit is 50% of eligible construction or renovation costs of a single Sensitive Compartmented Information Facility (SCIF) up to \$200,000, and costs related to multiple SCIFs up to \$500,000. However, if the total amount of credits claimed by all businesses exceeds \$2 million, then, the tax credit will be prorated.*

First Year Leasing Costs Tax Credit for Qualified Small Business – *This credit is 100% of eligible first year leasing costs for small businesses doing security-based contract work up to \$200,000. However, if the total amount of credits claimed by all businesses exceeds \$2 million, then, the tax credit will be prorated.*

Commerce certified 81 businesses to receive credits for incurring \$14.43 million in employer security clearance costs in Maryland for their tax year ending in 2019.

At the nominal statutory rates, applicants would have received \$4.38 million in tax credits. However the tax credits are limited to \$2 million. Therefore, the effective rate for the tax credit is reduced to 45 percent.

The applicants and the amount of credits for which they were certified are included in the attached appendix.

Appendix: Maryland Employer Security Clearance Costs Tax Credit, Credits Certified for TY2019

1	Maryland Research Institute LLC	1,720
2	Erias Ventures, LLC	534
3	ClearShark LLC	25,349
4	Fuse Engineering, LLC	4,732
5	Tulzi Technologies, LLC	6,273
6	Percival Inc.	14,150
7	JASINT Consulting and Technologies, LLC	27,792
8	Clear Ridge Defense, LLC	11,537
9	Tactical Network Solutions, LLC	1,222
10	TCecure, LLC	3,728
11	Oakleaf Technology Group, Inc.	11,130
12	Tiber Technologies, Inc.	3,875
13	CDG Advantage, LLC	4,469
14	INNOPLEX, LLC	40,779
15	Fuse Solutions, LLC	3,472
16	Omnyon LLC	15,809
17	ATI, Inc.	32,902
18	Constellation Technologies, Inc.	17,086
19	Entegra Systems Inc.	26,956
20	Zavda Technologies, LLC	37,445
21	Sound Engineering Solutions, Inc.	5,382
22	Grove Resource Solutions, Inc.	2,529
23	PCI Strategic Management, LLC	39,034
24	Patriot Technologies Inc.	2,741
25	Grier Forensics, LLC	29,382
26	VariQ Corporation	33,023
27	Sunayu, LLC	11,113
28	Visionist, Inc.	89,235
29	Wyetech, LLC	6,225
30	CACI, Inc.	4,135
31	Sealing Technologies, Inc.	17,310
32	Walker Engineering Solutions, LLC	29,370
33	Bridges Consulting, Inc.	27,511
34	Captivation Software, LLC	2,977
35	Fearless Solutions LLC	3,684
36	Phoenix Operations Group LLC	18,126
37	Transformational Security, LLC	2,733
38	Geon Technologies, LLC	4,111
39	Project Enhancement Corporation	551
40	General Dynamics Mission Systems, Inc.	95,114
41	Bottom Line Technologies, Inc.	27,559

42	Sabre Engineering, Inc.	2,822
43	Helm Point Solutions, Inc.	3,740
44	Anthem Engineering, LLC	7,551
45	BCT LLC	91,212
46	Facility Site Contractors, Inc.	57,505
47	Netorian Limited Liability Company	28,200
48	Acquired Data Solutions, Inc.	1,991
49	BTS Software Solutions, LLC	18,199
50	Root3 Labs Inc.	2,950
51	General Dynamics Information Technology Inc.	36,763
52	JS Global, LLC	14,257
53	CSRA LLC	91,212
54	Vision Technologies Inc.	35,601
55	EnDepth Solutions LLC	7,581
56	FiveTwelve LLC	7,102
57	Augury LLC	3,503
58	KJMK Management, Inc.	17,812
59	INT3 Solutions, LLC	673
60	Chiron Holdings Inc.	46,697
61	Island Creek Associates, LLC	19,850
62	Advanced Technology & Research Corp.	18,121
63	ClearEdge IT Solutions, LLC	34,058
64	Tensley Consulting, Inc.	10,276
65	Booz Allen Hamilton Inc.	91,212
66	Resolute Technologies LLC	9,714
67	PLEX Solutions LLC	30,272
68	Modern Insight LLC	2,769
69	ProObject, Inc.	91,212
70	Christopher M. Young, Inc.	33,058
71	CyberLinx Solutions, LLC	1,708
72	Avatar Technologies, Inc.	810
73	ABM Facility Support Services, LLC	30,790
74	Nichols Contracting Inc.	2,545
75	Systems Application & Technologies, Inc.	5,840
76	C.K. Signals, Inc.	8,546
77	Edwards Engineering LLC	50,356
78	Northrop Grumman Systems Corporation	228,030
79	Lingual Information System Technologies, Inc.	49,177
80	Quotient Inc.	7,102
81	Grunley Construction Co., Inc.	56,378
	Total	\$ 2,000,000